

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Octagon Systems Corp

Mid-America Manufacturing Technology Center - Colorado

#### Octagon Systems Reduces Lead Times by 23 Percent With Lean Manufacturing

##### Client Profile:

Octagon Systems Corp., located in Westminster, Colorado, makes embedded computer systems for extreme environments. Its primary market consists of OEMs who embed computers in military and space applications, transportation, control, security and energy systems; in medical instruments, and data acquisition. The ISO 9001-2000 certified company sells to customers worldwide through a network of direct sales, representatives, and distributors in 40 countries. Founded in 1981, Octagon currently employs 15 people.

##### Situation:

Octagon Systems continuously looks for new ways to improve its efficiency and its ability to respond to customer demand. The company set a goal for becoming a Lean Enterprise to reduce inventory, streamline its customer order process and minimize waste. Octagon Systems Corp. contacted the Mid-America Manufacturing Technology Center (MAMTC), a NIST MEP affiliate, for help.

##### Solution:

MAMTC presented Lean 101 training for Octagon staff and management including a live simulation of an electronics factory. The sessions introduced the participants to the language and concepts of Lean Manufacturing. MAMTC then directed the company through a two-day Value Stream Mapping (VSM) exercise of the manufacturing processes. During a VSM, a current state map is compared to a future state map to uncover any non-value-added steps. Octagon Systems, with assistance from MAMTC, began to make changes based on the results of the VSM using Lean concepts and techniques including cellular manufacturing. MAMTC then led Octagon Systems through 5S training. 5S is a system to improve and standardize the work environment for safe and effective operation. Establishing an organized workplace is essential to begin creating lean manufacturing cells. Loosely translated from Japanese, the 5S stands for sorting, storage, shining, standardizing and sustaining. Afterward, Octagon put the philosophy into practice. Employees eliminated any non-essential objects from their work areas, thoroughly cleaned everything, created logical storage strategies for equipment and supplies and created standardized procedures to sustain the new level of cleanliness.

##### Results:

- \* Reduced manufacturing lead times by 23 percent.
- \* Reduced product development time by 33 percent.
- \* Reduced major change over time from 7.6 to 1.25 hours.
- \* Streamlined sales order process, saving 20 percent of processing time.
- \* Freed up 15 percent of manufacturing floor space.
- \* Gained efficiencies in labs and improved work environments.

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\* Boosted sales by 15 percent.

### Testimonial:

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